

PARS

PUBLIC AGENCY
RETIREMENT SERVICES

SOUTH TAHOE PUBLIC UTILITIES DISTRICT

PARS 115 Trust – Pension Rate Stabilization Program (PRSP)

June 2025

YOUR CONTACTS



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PARS 115 TRUST TEAM

Trust Administrator & Consultant*



- Serves as record-keeper, consultant, and central point of contact
- Monitors plan compliance (IRS/GASB/State Government Code)
- Sub-trust accounting
- Processes contributions/disbursements
- Coordinates all agency services
- Hands-on, dedicated support teams

41	2,000+	1,100+	500+	750K+	\$9.2B+
Years of Experience (1984-2025)	Plans under Administration	Public Agency Clients	115 Trust Clients	Plan Participants	Assets under Administration

* See important information regarding PARS in the Disclaimer page at the end of the presentation.

Trustee



- 5th largest commercial bank and one of the nation's largest trustees for Section 115 trusts
- Safeguard plan assets
- Oversight protection as plan fiduciary
- Custodian of assets

162	\$11.0T
Years of Experience (1863-2025)	Assets under Administration

Investment Manager



- A division of U.S. Bancorp Asset Management, Inc.
- Fixed income and multi asset portfolios
- Active and passive platform options
- Customized portfolios (with minimum asset level)

40+	\$174.6B+ *
Years of Investment Experience (As of 3/31/2025)	Assets under Management & Advisement

*As of March 31, 2025. Total assets under management for U.S. Bancorp Asset Management, Inc. were \$399.7 billion. Please see disclosures at the end of this presentation

115 TRUST CLIENT LIST (500+) INCLUDING:

Updated June 2025

SPECIAL DISTRICTS

Bodega Bay Public Utilities District
Calaveras County Water District
El Dorado Hills County Water (& Fire) District
Nevada County Consolidated Fire District
Newcastle-Rocklin-Gold Hill Cemetery District
Placer County Air Pollution Control District
Placer County Resource Conservation District
San Andreas Sanitary District
South Placer Fire Protection District
Tahoe City Public Utility District

SCHOOL DISTRICTS

Auburn Union School District
Dry Creek Joint Elementary SD
El Dorado Union High School District
Placer Union High School District
Roseville Joint Union High SD

COUNTIES

Alpine
Amador
Calaveras
Mariposa
Nevada
Placer
Plumas
Tuolumne

CITIES

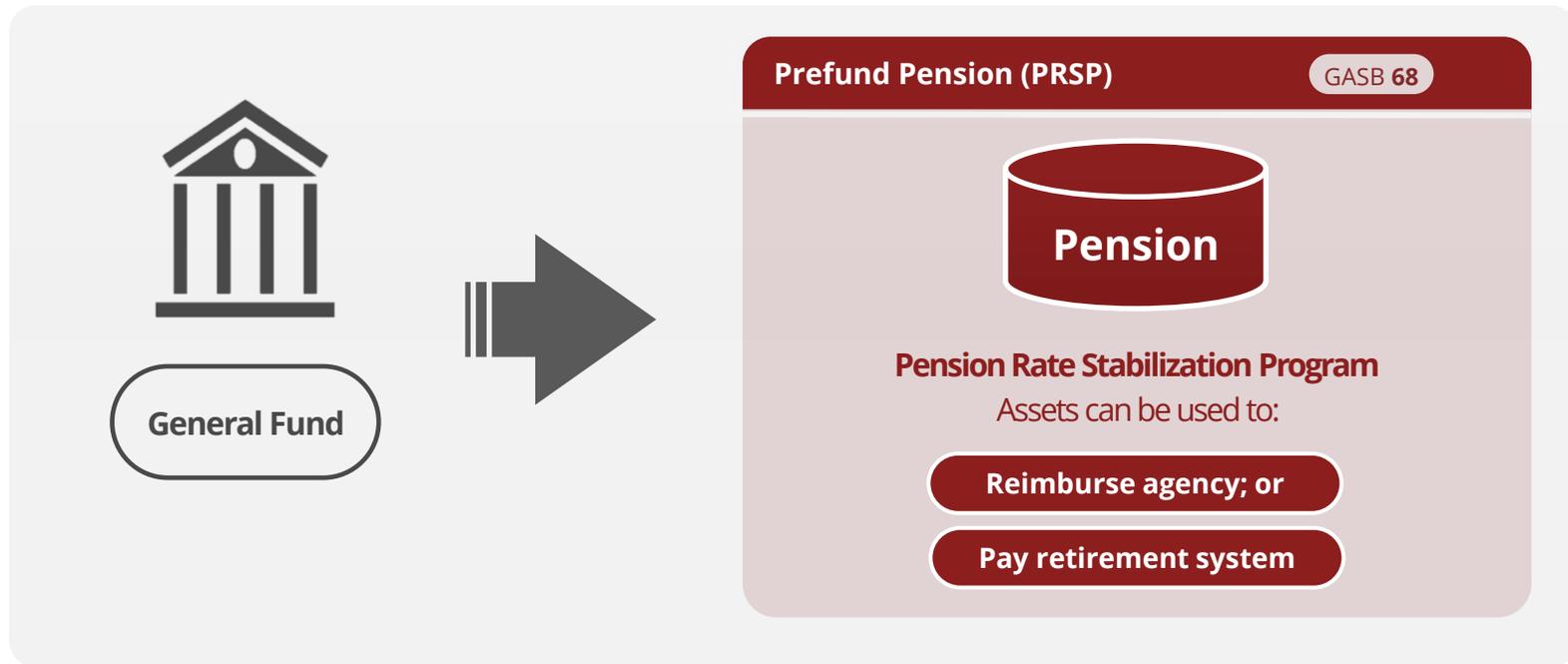
Angels Camp
Grass Valley
Ione
Lincoln
Sutter Creek

The

PARS PENSION RATE STABILIZATION PROGRAM (PRSP)

for prefunding pension obligations

FEATURES OF THE PARS PRSP



Subaccounts

Pension assets can be divided by dept., bargaining group, or cost center



Financial Stability

Assets in the PARS Section 115 Trust can be used to address unfunded liabilities.



Flexible Investing

Choice of 5 risk tolerance levels or custom strategy



Anytime Access

Trust funds are available anytime for Pension-related expenses



Economies-of-Scale

As assets grow, lower fee rates will be reached on tiered schedule – saving money



No Set Up Cost or Minimums

No set-up costs, no minimum annual contribution amounts, and no fees until assets are added.



YOUR PENSION FUNDING STATUS

As of June 30, 2023, South Tahoe Public Utility District’s CalPERS pension plan is funded as follows:

Combined Miscellaneous Groups*	Valuation as of June 30, 2022	Valuation as of June 30, 2023	Change
Actuarial Liability	\$67.7 M	\$72.1 M	6.4% ↑
Assets	\$51.2 M	\$53.9 M	5.3% ↑
Unfunded Liability	\$16.6 M	\$18.1 M	9.6% ↑
Funded Ratio	75.6%	74.8%	1.0% ↓
Employer Contribution Amount	\$2.5 M (FY 23-24)	\$2.7 M (FY 24-25)	6.1% ↑
Employer Contribution Amount – Projected*	---	\$3.5 M (FY 30-31)	30.8% ↑

**Data through 2030-31 from Agency’s latest CalPERS actuarial valuation.*

WHY PREFUND PENSION OBLIGATIONS WITH PARS?

- 1 Complete Local Control over Assets**
Agency has complete control over contributions and disbursements, including timing, amount, and risk tolerance level
- 2 Pension Smoothing Tool**
Assets can be transferred to retirement system plan at the Agency's direction, which can reduce or eliminate large fluctuations in required Employer contributions to retirement system
- 3 Diversified Investing = Potential for Greater Return than General Fund**
Can choose risk tolerance level for the Agency's unique needs
- 4 We're the Pioneers of Pension Prefunding**
115 Trust services for prefunding Pension is our core business
- 5 Dedicated Portfolio Manager**
Investment policy assistance, fiduciary responsibility, periodic reviews, and cell phone access



INVESTMENT STRATEGY SELECTION PROCESS

1. Input Phase

- Target discount rate
- Risk tolerance
- Investment philosophy
- Asset allocation
- **Timing on use of funds**

2. Model Portfolios

Strategy	Equity	10-Yr Returns*
Capital Appreciation	65-85%	7.43%
Balanced	50-70%	6.62%
Moderate	40-60%	5.82%
Moderately Conservative	20-40%	4.23%
Conservative	5-20%	3.05%
vs. LAIF	0%	1.80%**

**10-Year Active Portfolio annualized returns as of March 31, 2025 (Gross of Investment Management Fees, but Net of Embedded Fund Fees).*

***Avg. LAIF apportionment rate (released quarterly) over the 10-Year period ending March 31, 2025..*

The advisor to the PARS portfolios is U.S. Bank, and PFM Asset Management serves as sub-advisor to U.S. Bank to manage these portfolios.

Prior to January 1, 2024, HighMark Capital Management, Inc. ("HighMark") acted as sub-advisor to the PARS portfolios.

HighMark, including its clients and investment personnel, was consolidated into its affiliate, PFM Asset Management LLC (PFMAM) on January 1, 2024.

3. Dedicated Portfolio Manager/ Investment Specialist

- Makes recommendation
- Fiduciary responsibility
- Investment policy statement
- Periodic reviews
- **Cell phone access**

PARS PRSP PROGRAM FEES

Please note that OPEB and pension assets will be combined for fee calculation purposes.

Trust Administration/Consulting Fees *



Plan Set-Up Fee:

None

Ongoing Fees:

0.25%	for assets \$0-10 million
0.20%	for assets \$10-15 million
0.15%	for assets \$15-50 million
0.10%	for assets over \$50 million

Discretionary Trustee/Investment Management Fees **



Plan Set-Up Fee:

None

Ongoing Fees Paid to U.S. Bank:

0.35%	for assets under \$5 million
0.25%	for assets \$5-10 million
0.20%	for assets \$10-15 million
0.15%	for assets \$15-50 million
0.10%	for assets over \$50 million

* PARS does not receive any compensation from the investments or any commissions, back-end loads, or any other forms of compensation.

** Subject to change due to rebalancing. Additional information on U.S. Bancorp Asset Management, Inc. and a description of its fees are described in its ADV which is available on the SEC's website at www.adviserinfo.sec.gov. Fees charged by U.S. Bank National Association N.A. as Discretionary Trustee/Investment Management are based on individual agency assets. U.S. Bank N.A. compensates the sub-adviser for these services from its own fees, as detailed above. See disclosures at the end of this presentation for more information.

SAMPLE FUNDING POLICIES

1. Contribute 50% of a given year's realized year end surplus to address pension liability
2. Contribute full amount of annual PERS employer cont., allowing anytime access to trust assets
3. "One equals five plan" - \$1M contribution for 5 years will save taxpayers \$5M over 25 years
4. Maintain a 15% general fund reserve and target add '1 cont. over and above that threshold
5. Earmark a portion of a local sales tax to be set aside for unfunded pension liabilities
6. Use ongoing savings from prepaying CalPERS unfunded liability vs. higher monthly payments
7. Lower the minimum General Fund Reserve level (e.g. 30% → 20%) and use that one-time revenue source

WHY TAKE THIS STEP?

1. Smooths out pension rate volatility
2. Provides a fiscal tool in your financial toolbox
3. Prepare today for tomorrow's pension realities

Questions?

APPENDIX

Additional Disclosures

The views expressed within this material constitute the perspective and judgment of U.S. Bancorp Asset Management, Inc. (USBAM) at the time of distribution and are subject to change. Any forecast, projection, or prediction of the market, the economy, economic trends, and equity or fixed-income markets are based upon current opinion as of the date of issue and are also subject to change. Opinions and data presented are not necessarily indicative of future events or expected performance. Information contained herein is based on data obtained from recognized statistical services, issuer reports or communications, or other sources, believed to be reliable. No representation is made as to its accuracy or completeness.

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Public Agency Retirement Services (“PARS”) is a third-party and not affiliated with PFMAM, USBAM or U.S. Bank. PARS serves as the trust administrator to the Public Agencies Post-Employment Benefits Trust, Public Agencies Post-Retirement Health Care Plan Trust, and the Public Agency Retirement System Trust (the “Trusts”). U.S. Bank N.A. serves as the discretionary trustee to the Trusts. In its capacity as discretionary trustee, U.S. Bank N.A. delegates the investment management of the Trusts to its affiliate USBAM through a sub-advisory agreement. PARS is serviced by PFMAM, a division of USBAM.

U.S. Bank N.A. pays the sub-adviser up to 67% of the annual management fee for assets sub-advised under its sub-advisory agreement with U.S. Bank N.A. Refer to your U.S. Bank N.A. fee schedule for investment management fees applied to your specific portfolio. U.S. Bank N.A. compensates the sub-adviser for these services from its own fees.

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